

Statement of Robert Santy  
President, Regional Growth Partnership

before the  
U.S. House of Representatives  
Committee on Government Reform  
Subcommittee on Federalism and the Census

My name is Robert Santy and I am President of the Regional Growth Partnership or RGP. RGP is a non-profit economic development organization comprised of public and private sector members in 15 towns in South Central Connecticut. We perform a variety of functions in our region, Connecticut being one of two states in the nation that lacks county government. For example, we support transportation initiatives such as the expansion of our local airport, increased train stations, and infrastructure improvements for our highways. We provide our local economic development offices with support ranging from grant writing, to networking opportunities, and we seek ways for our region to work together. As a small state which practices home rule, it is important to the competitiveness of our region for our towns to consider an area larger than their one town.

A good example of a priority regional issue is brownfields development and the other side of the coin, greenspace preservation and smart growth issues. RGP has been a leader on these issues for several years.

RGP has been working on brownfields projects in our region for almost 10 years. We have been the recipient of \$1.25 million in grant dollars from the State of Connecticut to conduct site assessments on properties in our 15 towns. To date, we have completed Phase I, II, and III's on over 85 sites in our region. These investigations have assisted the municipalities and private property owners to expand, purchase, sell, or lease their buildings. In every case, the project had been stalled due to lack of funding to complete the necessary testing and would not have proceeded if it were not for our funding. In recent years, RGP has changed the program from grants to a loan program in order to revolve the funding.

In addition to State funding, RGP has been the recipient of two EPA grants. In 2000, working in conjunction with our Council of Governments, we secured a \$200,000 Assessment Grant (which was closed out in 2005), and in 2003, RGP was awarded a million dollar Revolving Loan Fund. We are currently working to close our first loan in the City of Meriden for \$500,000.

However, even with our successful track record, it has been difficult for our organization to obtain funding. Although EPA Boston has been very supportive of our program, actually qualifying to become a grant recipient was difficult. We had to expend a considerable amount of money to pay attorneys to work with the Council of Governments and the Attorney General of Connecticut to argue that we are an “arm” of the COG, which in Connecticut is considered a political subdivision of the State. In other states, efforts to work regionally would not be so difficult.

Another example of our difficulty in working with federal agencies is Groundwork USA, which is a program funded by the National Parks Service and the EPA. Although in other states Groundwork USA has worked with counties and regional planning agencies, they have not worked with a regional non-profit organization performing similar functions. We are convinced that a regional entity advocating and managing brownfields redevelopment for community gardens, public parks, greenways, and other similar projects, is the most efficient use of this program in our region. Our 15 towns with limited resources and staff support cannot participate in these programs on an individual basis. We suggest that some language be adopted to address the anomaly in Connecticut’s governmental structure. We know that regional solutions make sense, but many regional organizations are not political subdivisions and therefore are not eligible. While we recognize the need to have some measure of whether an organization legitimately represents a particular geography, that can be achieved while still broadening eligibility criteria.

As mentioned earlier, we are close to closing our first EPA RLF loan in the City of Meriden. This important EPA program was considered essential for our region in order to have access to remediation dollars which, as we know, are difficult to identify in brownfield projects. The RLF funding was a perfect fit for the Meriden project. There are no complicated financial issues to resolve and the remedial action was already completed and approved by the State. However, the process we have had to undergo to get to the point of drawing up loan documents has taken a year and a half. Difficulties arose due to a pending lawsuit against a potential liable party which required detailed opinions from many lawyers regarding Superfund Law. Additional problems arose when we realized much of the contamination was petroleum contamination instead of hazardous waste which is how our funding was categorized. When we requested our funding be used for petroleum, EPA replied that the funding cannot be changed, nor could we apply for supplemental funding to close the loan since we had not closed a loan to date. Fortunately, these issues have been worked out, but as I mentioned, the process has taken a year and a half. The program administration can be overwhelming and costly, and certainly not a program which our individual towns can administer themselves. I understand many changes have been made to the program in recent years, however, more improvements must be made statutorily to make the funding more attractive to developers, and shorten the time it takes to close a loan.

Chairman Turner’s bill HR 4480, which is co-sponsored by Connecticut Representative Nancy Johnson, would create a federal environmental remediation tax credit for 50 percent of the qualified remediation expenditures paid. We support this important

initiative. Programs that help fill our “tool box” are essential to offer to developers who are making decisions whether to redevelop a brownfield or an increasingly scarce greenfield. In many instances of brownfields development in our communities, the “low hanging fruit” has already been plucked. We have been left with the harder, more complicated sites that need more assistance, funding, and creative solutions. Tax credits, together with other creative solutions such as TIFs, limiting liability, or assessment programs similar to the one we have managed, will all work toward making these difficult sites easier to redevelop and in turn save our open space.

Thank you for the opportunity to address you today.